Illegal money transfer through internet banking

3488. SHRI R. K. ANAND: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that fraud cases of illegal money transfer through Internet banking have come to the notice of Government; and

(b) if so, what measures have been taken/are being taken to protect the interest of the account holders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) RBI has informed that ICICI Bank Ltd. reported on 30th March, 2005 transfer of money amounting to Rs. 57,000/- from two accounts through internet banking service to a third party account from which it was later withdrawn through ATM. The concerned account holder has, however, claimed that he was not in receipt of his ATM Card and therefore was not the person who had withdrawn the money. The Bank has reported that there was no breach or failure of the security systems.

(b) RBI has issued detailed guidelines to banks in respect of their obligation of reporting of frauds to the law enforcement agencies, their controlling offices and RBI. The banks have also been advised to create systems, which will enable them to prevent frauds and detect them expeditiously when they occur. Every breach or failure of security systems and procedures and security violation (suspected or attempted) are to be reported by the banks to the RBI.

Rate of interest on EPF

3489. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to enhance the rate of interest applicable to Employees' Provident Fund to 9.5 per cent;

(b) if so, whether necessary orders have been issued in this regard; and

(c) whether as a goodwill gesture to the senior citizens, the rate of interest in respect of the Senior Citizen Pension Bonds would also be increased to 9.5 per cent and if so, by when the orders are likely be issued to give comparable benefits to the pensioners?